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IN REPLY REPER TO

United States Department of the Interior

OFFICE OF SURFACE MINING Reclamation and Enforcement P.O. Box 46667 Denver, Colorado 80201-6667

801 359 3940

4/5/07

To: PAM G. - LITTIG/OGM

PR: HENRY AUSTIN/OSM

RE: Des-Bee-Done, PhASEIR BR

Concumence

Hi Pam!

See OSM B.R. Concurrence to Kallon.

Phone Wany guestions.

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DIV. OF OIL, GAS & MINING



United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
P.O. Box 46667
Denver, Colorado 80201-6667

April 5, 2007

John R. Baza, P.E., Director Department of Natural Resources Division of Oil, Gas, and Mining 1594 West North Temple Suite 1210, PO Box 145801 Salt Lake City, UT 84114-5801

RE: PacifiCorp, Des-Bee-Dove Mine, Utah Permit No. C/015/0017, OGM Phase III Bond Release Decision Document

Dear Mr. Baza,

This letter acknowledges the Office of Surface Mining (OSM), Western Region (WR), Denver Field Division's (DFD) receipt and review of the above Phase III Bond Release State Decision Document (decision) dated January 30, 2007. That decision includes the January 30, 2007, technical analysis prepared by the Division of Oil, Gas, and Mining (OGM). DFD agrees with the findings in the decision and hereby provides OSM concurrence for this bond release action in accordance with 30 CFR 740.15 (d) (3), and 30 CFR 944.30, Article IX, of the State-Federal Cooperative Agreement.

A thorough summary of the operational and reclamation history of the mine is accurately captured in the OGM decision. The required public, governmental agencies, and landowner notifications of the bond release application were provided by the permittee and are documented in the bond release application and subsequent correspondence. No public comments concerning this bond release application are discussed in the OGM findings documents.

The bond release inspection notifications provided by OGM are documented either in the decision, the inspection report for the bond release inspection conducted by OGM on September 28, 2006, or related correspondence. OSM, the Bureau of Land Management (BLM), the Unites States Forest Service (USFS), the Utah Division of Wildlife Resources (UDWR), the Emery County Lands Council, and adjacent landowners were notified of the bond release inspection.



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Des-Bee-Dove Mine, Phase III bond release, pg.3

As noted above, this Phase III bond release applies to 2.52 acres of reclaimed disturbance and the permittee has not requested the release of any monies associated with this acreage. In their Phase III bond release recommendation OGM has determined that the remaining bond amount of \$1,837,712 is sufficient to ensure environmental monitoring and reclamation success through Phase III for all the remaining affected and reclaimed acreage at this mine.

OSM concurs with the OGM Phase III bond release decision as documented above.

Thank you and your staff for coordinating this federal lands bond release through the DFD. Please direct any questions concerning this action to Henry Austin, Senior Reclamation Specialist, at haustin@osmre.gov or to (303) 844-1440 x1446.

Sincerely.

James. F. Fulton, Chief Denver Field Division

Enclosure

Cc:

PacifiCorp

BLM, Salt Lake City, UT

USFS, Price, UT

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BUREAU OF LAND MANAGEMENT



Price Field Office 125 South 600 West Price, UT 84501 http://www.blm.gov/utah/price/

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DEC 222006

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Pamela Grubaugh Littig

Permit Supervisor

Utah Division of Oil Gas and Mining

P. O. Box 145801

1594 West North Temple Street, Suite 1210

Salt Lake City, Utah 84114-5801

Subject: Des-Bee-Dove Mine Phase III Bond Release for 2.52 acres

Tusk NO. 2714

Dear Mrs. Grubaugh-Littig:

The Bureau of Land Management (BLM) has been asked to respond if our agency has any objections or concerns to Phase III bond release (reclamation bond) of 2.52 acres for the Descret-Beehive and Dove Mines. This area is located in T17S R7E Section 25 and was the location for Des-Bee-Dove's pump-house.

We have participated in the September 28, 2006 onsite inspection as well as the Phase I Bond inspection on June 29, 2006. This area geographically is known as "Danish Bench." The Manti-La Sal National Forest is the surface owner with the BLM as the subsurface (minerals) owner.

We have reviewed our files in regards to our response. The federal coal leases were issued for the Blind Canyon and Hiawatha Seams in the Blackhawk Formation. Mining occurred in a north-westerly trend. The Hiawatha Seam is exposed at the Descret Mine, and the Bechive/Little Dove breakouts are located 140 feet above in the Blind Canyon seam. The area in review for reclamation is located below the coal-bearing Black Hawk Formation, in the Mancos Shale.

We have attached photographs of the area for Phase III bond release taken during the onsite.

The Oil and Gas rights have been leased. This area was analyzed in the Ferron Natural Gas Environmental Impact Statement for its potential for natural gas development. A lessee has expressed interest in developing a new well in the area for Phase III Bond Release.

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The proposed surface disturbance is below the Starpoint Sandstone and the proposed drilling will be into the Ferron Sandstone Member of the Mancos Shale. Therefore, the well would not impact the coal seams in the Blackhawk Formation.

We have no objections to Phase III bond release.

If you have and questions or comments, please contact Angela Wadman of my staff at 435-636-3661.

Ker Rebecca Doclittle
Acting Assistant Field Manager

cc: UT-923, SD, Utah

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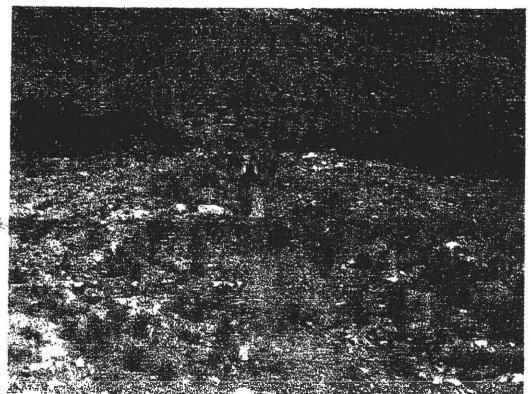
Des-Bee-Dove Phase III Bond Release



The proposed well site located ½ mile from the road.

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The above picture is of the general area for Phase III Bond Release. The picture taken below is of the south side of the trail and the southern extent for bond release.



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